

MAYVILLE DISTRICT PUBLIC LIBRARY

Mayville, Michigan

Report on Financial Statements
(with required supplementary and
additional information)

June 30, 2006

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name <i>Mayville District Public Library</i>	County <i>Tuscola</i>
Fiscal Year End <i>June 30, 2006</i>	Opinion Date <i>September 8, 2006</i>	Date Audit Report Submitted to State <i>October 2, 2006</i>	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES ☒ NO ☐ Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☒ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.		Telephone Number <i>989-673-3137</i>	
Street Address 715 East Frank St. Caro, Michigan 48723-1623		City	State Zip
Authorizing CPA Signature <i>Gary R. Anderson</i>		Printed Name GARY R. ANDERSON	License Number 1101005446

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September 8, 2006

INDEPENDENT AUDITOR'S REPORT

Members of the Board
Mayville District Public Library
Mayville, MI 48744

Dear Board Members:

We have audited the accompanying financial statements of the governmental activities and the major funds of Mayville District Public Library, Mayville, Michigan, as of June 30, 2006, which collectively comprise the Library's basic financial statements as listed in the Table Of Contents. These financial statements are the responsibility of the Mayville District Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities and the major fund of the Mayville District Public Library as of June 30, 2006 and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As describe in Note 2, the Library has implemented a new financial reporting model as required by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments* as of July 1, 2003.

The management's discussion and analysis and budgetary comparison information on pages i through ii and page 11, are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the primary government of Mayville District Public Library's basic financial statements. The additional information on pages 12 and 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This additional information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Anderson, Tuckey, Bernhardt & Doran, P.C.

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants



Gary R. Anderson, CPA
Jerry J. Bernhardt, CPA
Thomas B. Doran, CPA

Robert L. Tuckey, CPA
Valerie Jamieson Hartel, CPA
Jamie L. Peasley, CPA

September 8, 2006

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Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the primary government of Mayville District Public Library's basic financial statements. The additional information on pages 12 and 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This additional information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Anderson, Tuckey, Bernhardt & Doran, P.C.

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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MAYVILLE DISTRICT PUBLIC LIBRARY
Management's Discussion and Analysis
June 30, 2006

The basic financial statements on pages 1 through 4 include information that presents two different views of the Library using the modified-accrual and full accrual methods.

The first two columns of the governmental fund balance sheet/statement of net assets and the governmental fund statement of revenue, expenditures, and changes in fund balance/statement of activities include information about the Library's General Fund and Debt Retirement Fund under the modified-accrual method. The modified-accrual basis focuses on current financial resources and provides a more detailed view about the accountability of the Library's sources and uses of the funds.

The adjustment column of the financial statements represents adjustments necessary to convert the modified-accrual financial statements to the Library as a Whole financial statements under the full-accrual method. The full-accrual basis focuses on long-term economic resources.

The Library as a Whole column provides both long-term and short-term information about the Library's overall financial status. The Library as a Whole statement of net assets – full-accrual basis column and the Library as a Whole statement of activities – full-accrual basis column provide information about the activities of the Library as a Whole and present a longer-term view of the Library's finances. These columns tell how these services were financed in the short-term, as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Condensed Financial Information

Below shows the key financial information under the full-accrual method in a condensed format. Note: Amounts and totals reported are for all Library activities, including general operations, capital projects, and debt activity – to give a complete picture.

	<u>June 30, 2006</u>	<u>June 30, 2005</u>
Assets		
Current assets	\$83,092	\$85,598
Capital assets	<u>710,242</u>	<u>742,816</u>
Total assets	<u>\$793,334</u>	<u>\$828,414</u>
Liabilities		
Current liabilities	\$ 48,627	\$ 48,314
Long-term liabilities	<u>265,000</u>	<u>310,000</u>
Total liabilities	<u>\$313,627</u>	<u>\$358,314</u>
Net Assets		
Investment in capital assets – Net of related debt	\$400,242	\$387,816
Restricted for debt retirement	7,170	6,736
Unrestricted	<u>72,295</u>	<u>75,548</u>
Total net assets	<u>\$479,707</u>	<u>\$470,100</u>

MAYVILLE DISTRICT PUBLIC LIBRARY
Management's Discussion and Analysis
June 30, 2006

	<u>June 30, 2006</u>	<u>June 30, 2005</u>
Revenue		
Property taxes	\$ 97,106	\$ 88,426
Fines	40,478	42,474
Other	<u>18,785</u>	<u>20,349</u>
Total revenue	156,369	151,249
Expenses	<u>146,762</u>	<u>142,280</u>
Change in Net Assets	9,607	8,969
Net Assets, Beginning of year	<u>470,100</u>	<u>461,131</u>
Net Assets, End of year	<u>\$479,707</u>	<u>\$470,100</u>

The Library as a Whole

The Library's net assets increased by \$9,607 this year. The Library's primary sources of revenue are from property taxes and fines.

Salaries and fringe benefits continue to be the largest expense for the Library's General Fund.

The Library's Funds

The budgetary analysis of the General Fund is included on page 11, which shows the General Fund, the Library's major operating fund, including revenues and expenditures, excess of revenue over expenditures, other financing sources and fund balance.

Library's Budgetary Highlights

Over the course of the year, the Library Board amended the General Fund's budget several times. The major variance was Operational expense, which was increased by \$2,870.

Capital Assets and Long-term Debt Activity

At the end of the fiscal year, the Library had \$922,602 invested in buildings, furniture, equipment, books, videos, and construction in progress based on the historical cost. During the year \$1,219 was spent on furniture and fixtures and \$255 was spent on office equipment.

The Library issued bonds during the year ended June 30, 2004 totaling \$400,000 for the construction/remodeling of the library building. Bonds in the amount of \$45,000 were redeemed during the current year.

Requests for Information

This financial report is designed to provide a general overview of Mayville District Public Library's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mayville District Public Library, 6090 Fulton St., Mayville, MI 48744.

BASIC FINANCIAL STATEMENTS

MAYVILLE DISTRICT PUBLIC LIBRARY
Governmental Fund Balance Sheet/Statement of Net Assets
For the Year Ended June 30, 2006

	<u>GOVERNMENTAL FUND TYPES</u>	
	<u>MAJOR FUNDS</u>	
	<u>General</u>	<u>Debt Retirement</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 56,237	\$ 8,970
Certificates of deposit	15,917	
Accounts receivable	1,968	
TOTAL CURRENT ASSETS	<u>74,122</u>	<u>8,970</u>
CAPITAL ASSETS:		
Capital assets, net of accumulated depreciation	<u>-</u>	<u>-</u>
TOTAL CAPITAL ASSETS	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 74,122</u>	<u>\$ 8,970</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES:		
Payroll liabilities	\$ 1,827	
Accrued interest		
Current portion of long-term debt		
TOTAL CURRENT LIABILITIES	<u>1,827</u>	<u>-</u>
LONG-TERM LIABILITIES		
Bonds payable beyond one year	<u>-</u>	<u>-</u>
TOTAL LONG-TERM LIABILITIES	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>1,827</u>	<u>-</u>
<u>FUND EQUITY - Unreserved</u>		
Designated:		
Debt retirement		\$ 8,970
Undesignated	<u>72,295</u>	<u>-</u>
Total Fund Equity	72,295	8,970
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 74,122</u>	<u>\$ 8,970</u>
<u>NET ASSETS</u>		
Invested in capital assets - net of related debt		
Restricted for debt retirement		
Unrestricted		

TOTAL NET ASSETS

The accompanying notes are an integral part of the financial statements.

Total - Modified- Accrual Basis	GASB No. 34 Adjustments (Note 3)	Library as a Whole Statement of Net Assets- Full-Accrual Basis
\$ 65,207		\$ 65,207
15,917		15,917
1,968		1,968
<u>83,092</u>	<u>-</u>	<u>83,092</u>
-	\$ 710,242	710,242
<u>-</u>	<u>710,242</u>	<u>710,242</u>
<u>\$ 83,092</u>	<u>\$ 710,242</u>	<u>\$ 793,334</u>
\$ 1,827		\$ 1,827
-	\$ 1,800	1,800
-	45,000	45,000
<u>1,827</u>	<u>46,800</u>	<u>48,627</u>
-	265,000	265,000
<u>-</u>	<u>265,000</u>	<u>265,000</u>
<u>1,827</u>	<u>311,800</u>	<u>313,627</u>
8,970	(8,970)	-
<u>72,295</u>	<u>(72,295)</u>	<u>-</u>
81,265	(81,265)	-
<u>\$ 83,092</u>		
	\$ 400,242	\$ 400,242
	7,170	7,170
	<u>72,295</u>	<u>72,295</u>
	<u>\$ 479,707</u>	<u>\$ 479,707</u>

MAYVILLE DISTRICT PUBLIC LIBRARY
Statement of Governmental Fund Revenue, Expenditures And
Changes In Fund Balance/Statement of Activities
For the Year Ended June 30, 2006

	<u>GOVERNMENTAL FUND TYPES</u>	
	<u>General</u>	<u>Debt Retirement</u>
REVENUES:		
Grants	\$ 5,865	
Services	6,495	
Fines	40,478	
Property Taxes	39,681	\$ 57,425
Miscellaneous	6,261	164
	<hr/>	<hr/>
TOTAL REVENUES	98,780	57,589
	<hr/>	<hr/>
EXPENDITURES:		
Salaries and employee benefits	60,662	
Library materials	11,383	
Operational	24,394	
Miscellaneous	4,906	
Capital outlay	688	
Depreciation		
Debt service-principal		45,000
Debt service-interest		12,425
	<hr/>	<hr/>
TOTAL EXPENDITURES	102,033	57,425
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(3,253)	164
FUND BALANCE/NET ASSETS - JULY 1	75,548	8,806
	<hr/>	<hr/>
FUND BALANCE/NET ASSETS - JUNE 30	\$ 72,295	\$ 8,970
	<hr/>	<hr/>

The accompanying notes are an integral part of the financial statements.

Total - Modified- Accrual Basis	GASB No. 34 Adjustments (Note 3)	Library as a Whole Statement of Net Assets- Full-Accrual Basis
\$ 5,865		\$ 5,865
6,495		6,495
40,478		40,478
97,106		97,106
6,425		6,425
<u>156,369</u>	<u>-</u>	<u>156,369</u>
60,662		60,662
11,383		11,383
24,394		24,394
4,906		4,906
688	\$ (1,474)	(786)
-	34,048	34,048
45,000	(45,000)	-
12,425	(270)	12,155
<u>159,458</u>	<u>(12,696)</u>	<u>146,762</u>
(3,089)	12,696	9,607
<u>84,354</u>	<u>385,746</u>	<u>470,100</u>
<u>\$ 81,265</u>	<u>\$ 398,442</u>	<u>\$ 479,707</u>

MAYVILLE DISTRICT PUBLIC LIBRARY

Notes To The Financial Statements For The Year Ended June 30, 2006

NOTE 1 - DESCRIPTION OF DISTRICT LIBRARY OPERATIONS:

The Mayville District Public Library was formed by the local governmental agencies of the Village of Mayville, Fremont Township, Dayton Township and Rich Township. The District Library district is comprised of all the territory in the Township's of Fremont and Dayton and the Village of Mayville, and part of the Township of Rich.

The District Library will be governed by an eight-member board comprised of two members from each of the three townships and the Village of Mayville.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING:

The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. There is no component unit to be included in the Library's financial report.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION:

The Library's basic financial statements include both the Library as a Whole and its individual fund financial statements.

Library as a Whole Financial Statements

The Library as a Whole financial statements (i.e., the statement of net assets and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting, which is described below.

Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of net assets includes and recognizes all long-term assets and receivables as well as long-term debt and obligations. The Library's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The statement of activities includes depreciation on long-term assets and eliminates capital outlay expense.

As a general rule, the effect of interfund activity has been eliminated from the library-wide financial statements.

MAYVILLE DISTRICT PUBLIC LIBRARY
Notes To The Financial Statements
For The Year Ended June 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

Fund Financial Statements

The Library's individual fund financial statements are reported using the current financial resources measurement focus and the modified-accrual basis of accounting, which is described below.

Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures relating to claims and judgments are recorded only when payment is due.

Revenues are recognized in the accounting period in which they become susceptible to accrual – that is, when they become both measurable and available to finance expenditures of the fiscal period. All other revenue items are considered to be available only when cash is received by the Library.

The Library reports the following governmental funds as major funds:

General Fund - The General Fund is the Library's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

Debt Service Fund - The Debt Service Fund was established to make principal and interest payments on the Library's debt.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY:

Cash and Investments – The Library considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Investments are recorded at fair value.

Receivables and Payables – In general, outstanding balances between funds are reported as "due to/from other funds."

Property Taxes – Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed. The 2005 taxable valuation of the Library totaled approximately \$113,454,027, on which ad valorem taxes levied consisted of .8539 mills for the Library's operating purposes and for debt retirement.

MAYVILLE DISTRICT PUBLIC LIBRARY
Notes To The Financial Statements
For The Year Ended June 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

Capital Assets – Capital assets are defined by the Library as assets with an initial cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Buildings, furniture, equipment, library books, periodicals, and videos are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	7 - 50 years
Furniture and equipment	5 – 20 years
Library books and videos	5 years

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

NOTE 3 – RECONCILIATION OF THE LIBRARY AS A WHOLE AND THE GOVERNMENTAL FUNDS FINANCIAL STATEMENTS:

Total fund balances and the net change in fund balances of the Library's individual funds differ from net assets and change in net assets of the Library as a Whole reported in the statement of net assets and statement of activities. This difference results primarily from the long-term economic focus of the statement of net assets and statement of activities versus the current focus of the statement of the individual governmental funds' balance sheet and statement of revenue, expenditures and change in fund balance. The following is a reconciliation of fund balances to net assets and the net change in fund balances to the net change in net assets:

Total Fund Balance – Modified-accrual Basis	\$ 81,265
Amounts reported in the statement of net assets are different because:	
Capital assets are not financial resources and are not reported in the funds	710,242
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(310,000)
Interest payments on long-term liabilities are not due and payable in the current period and are not reported in the funds	<u>(1,800)</u>
Total Net Assets – Full-accrual Basis	<u>\$479,707</u>

MAYVILLE DISTRICT PUBLIC LIBRARY

Notes To The Financial Statements For The Year Ended June 30, 2006

NOTE 3 – RECONCILIATION OF THE LIBRARY AS A WHOLE AND THE GOVERNMENTAL FUNDS FINANCIAL STATEMENTS, (Continued):

Net Change in Fund Balances – Modified-accrual Basis	(\$3,089)
Amounts reported in the statement of net activities are different because:	
Governmental funds report capital outlay as expenditures in the statement of activities; these costs are allocated over their estimated useful lives as depreciation:	
Library books and videos	1,474
Capital outlay	-
Depreciation expense	(34,048)
Bond payments are reported as an expense in the fund statements, but not in the statement of net activities (where it decreases long-term debt)	45,000
Decrease in accrued interest reported as an expenditure in the statement of activities, but not in the fund statements	<u>270</u>
Change in Net Assets – Full-accrual Basis	<u>\$ 9,607</u>

NOTE 4 – BUDGET INFORMATION:

The annual budget is prepared and adopted by the Library Board and subsequent amendments are approved by the Library Board. Unexpended appropriations lapse at year-end. The budget has been prepared in accordance with accounting principles generally accepted in the United States of America. During the current year, the budget was amended in a legally permissible manner.

The budget has been adopted on a line-item basis. Any violations are disclosed in the required supplementary information.

NOTE 5 - CASH AND EQUIVALENTS - CREDIT RISK:

Deposits

At year-end, the carrying amount of the Library's deposits was \$81,124 of which \$15,917 is invested in certificates of deposits. The bank balance was \$83,221 of which \$83,221 was covered by federal depository insurance. The Library places its deposits with high quality financial institutions.

Investments

The Library has no investments.

	Primary Government
Cash	<u>\$81,124</u>

MAYVILLE DISTRICT PUBLIC LIBRARY
Notes To The Financial Statements
For The Year Ended June 30, 2006

NOTE 6 – CAPITAL ASSETS:

Capital asset activity of the Library was as follows:

	Balance July 1, <u>2005</u>	<u>Additions</u>	Disposals and <u>Adjustments</u>	Balance June 30, <u>2006</u>
Capital assets being depreciated				
Buildings and improvements	\$764,264			\$764,264
Library books and videos	66,788			66,788
Furniture and fixtures	65,202	\$ 1,219		66,421
Office equipment	24,874	255		25,129
Total capital assets, being depreciated	921,128	1,474		922,602
Less accumulated depreciation for:				
Buildings and improvements	92,043	15,285		107,328
Library books and videos	32,920	11,970		44,890
Furniture and fixtures	33,219	5,284		38,503
Office equipment	20,130	1,509		21,639
Total accumulated depreciation	178,312	34,048		212,360
Total net capital assets	<u>\$742,816</u>	<u>\$(32,574)</u>	<u>\$0</u>	<u>\$710,242</u>

NOTE 7 – LONG-TERM DEBT:

Outstanding Debt

	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
2004 Library Facility Bonds	3.5 %	<u>\$355,000</u>	<u>\$0</u>	<u>(\$45,000)</u>	<u>\$310,000</u>

Debt Service Requirements

The annual requirements to service all debt outstanding as of June 30, 2006 are as follows:

<u>Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 45,000	\$10,850	\$ 55,850
2008	50,000	9,275	59,275
2009	50,000	7,526	57,526
2010	55,000	5,775	60,775
2011	55,000	3,850	58,850
2012	<u>55,000</u>	<u>1,925</u>	<u>56,925</u>
Total	<u>\$310,000</u>	<u>\$39,201</u>	<u>\$349,201</u>

MAYVILLE DISTRICT PUBLIC LIBRARY
Notes To The Financial Statements
For The Year Ended June 30, 2006

NOTE 8 - RISK MANAGEMENT:

The Library is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Library carries commercial insurance to cover any losses that may result from the above-described activities. No settlements have incurred in excess of coverage in 2006 or any of the prior three years.

NOTE 9 – PENSION PLAN:

The Library has no pension plan.

REQUIRED SUPPLEMENTARY INFORMATION

MAYVILLE DISTRICT PUBLIC LIBRARY
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2006

	BUDGET			VARIANCE- FAVORABLE (UNFAVORABLE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Local & State Grants	\$ 5,800	\$ 5,800	\$ 5,865	\$ 65
Services	4,900	4,900	6,495	1,595
Fines	42,900	42,900	40,478	(2,422)
Property Taxes	34,820	34,575	39,681	5,106
Miscellaneous	<u>2,640</u>	<u>2,640</u>	<u>6,261</u>	<u>3,621</u>
TOTAL REVENUES	<u>91,060</u>	<u>90,815</u>	<u>98,780</u>	<u>7,965</u>
EXPENDITURES:				
Salaries and employee benefits	54,000	54,000	60,662	(6,662)
Library materials	11,500	11,500	11,383	117
Operational	21,240	23,210	24,394	(1,184)
Miscellaneous	1,500	1,650	4,906	(3,256)
Capital outlay	<u>900</u>	<u>700</u>	<u>688</u>	<u>12</u>
TOTAL EXPENDITURES	<u>89,140</u>	<u>91,060</u>	<u>102,033</u>	<u>(10,973)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,920</u>	<u>(245)</u>	<u>(3,253)</u>	<u>(3,008)</u>
FUND BALANCE - JULY 1	<u>75,548</u>	<u>75,548</u>	<u>75,548</u>	<u>-</u>
FUND BALANCE - JUNE 30	<u><u>\$ 77,468</u></u>	<u><u>\$ 75,303</u></u>	<u><u>\$ 72,295</u></u>	<u><u>\$ (3,008)</u></u>

ADDITIONAL INFORMATION

MAYVILLE DISTRICT PUBLIC LIBRARY**Schedule of Revenues
Year Ended June 30, 2006**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Grants:			
State grants	\$ 4,500	\$ 3,986	\$ (514)
Local grants	<u>1,300</u>	<u>1,879</u>	<u>579</u>
Total Grants	<u>5,800</u>	<u>5,865</u>	<u>65</u>
Services	<u>4,900</u>	<u>6,495</u>	<u>1,595</u>
Fines:			
Library fines	1,900	2,260	360
Penal fines	<u>41,000</u>	<u>38,218</u>	<u>(2,782)</u>
Total Fines	<u>42,900</u>	<u>40,478</u>	<u>(2,422)</u>
Property Taxes	<u>34,575</u>	<u>39,681</u>	<u>5,106</u>
Miscellaneous:			
Interest	240	669	429
Friends of the Library	-	1,207	1,207
Contributions	<u>2,400</u>	<u>4,385</u>	<u>1,985</u>
Total Miscellaneous	<u>2,640</u>	<u>6,261</u>	<u>3,621</u>
TOTAL REVENUES	<u>\$ 90,815</u>	<u>\$ 98,780</u>	<u>\$ 7,965</u>

MAYVILLE DISTRICT PUBLIC LIBRARY

Schedule of Expenditures

Year Ended June 30, 2006

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES:			
Salaries & Employee Benefits:			
Salaries	\$ 52,000	\$ 55,948	\$ (3,948)
F.I.C.A.	<u>2,000</u>	<u>4,714</u>	<u>(2,714)</u>
Total Salaries & Employee Benefits	<u>54,000</u>	<u>60,662</u>	<u>(6,662)</u>
Library Materials:			
Books, magazines & videos	10,900	10,905	(5)
Printing	<u>600</u>	<u>478</u>	<u>122</u>
Total Library Materials	<u>11,500</u>	<u>11,383</u>	<u>117</u>
Operational:			
Contract services & dues	2,000	1,949	51
Communications	1,920	1,939	(19)
Computer expense	3,960	3,894	66
Seminars & transportation	600	596	4
Insurance and bonds	1,780	1,780	-
Utilities	7,300	7,740	(440)
Rent	-	-	-
Repairs & maintenance	1,950	1,920	30
Office supplies & postage	2,250	2,471	(221)
Audit	850	1,500	(650)
Dues	<u>600</u>	<u>605</u>	<u>(5)</u>
Total Operational	<u>23,210</u>	<u>24,394</u>	<u>(1,184)</u>
Miscellaneous:			
Friends of the Library	-	1,859	(1,859)
Other miscellaneous	<u>1,650</u>	<u>3,047</u>	<u>(1,397)</u>
Total Miscellaneous	<u>1,650</u>	<u>4,906</u>	<u>(3,256)</u>
Capital Outlay	<u>700</u>	<u>688</u>	<u>12</u>
TOTAL EXPENDITURES	<u><u>\$ 91,060</u></u>	<u><u>\$ 102,033</u></u>	<u><u>\$ (10,973)</u></u>